

S-E-C-R-E-T

3 February 1967

DRAFT

SUBJECT: Principal Factors in the World Situation

I. End of the Post-War Era

1. It has become trite to remark that the last five to ten years have witnessed the end of the post-war era. Nearly everyone now understands that during this period the overwhelming American superiority in arms, in economic power, and in political influence came to an end and was replaced by a new structure of world power in which Western Europe, the USSR, and China have come to occupy prominent positions. Many of the legacies of World War II were resolved, new nationalisms in former colonial areas emerged and flowered, and the world generally overcame many of the hatreds and fears of the war and its aftermath.

2. There have, of course, been serious crises, revolutions, and even major warfare during these last ten years, some of which have involved confrontations between the great powers. Yet, in each case, the dangers of confrontation were recognized. Most of these crises were unraveled, terminated by compromise or acquiescence,

S-E-C-R-E-T

S-E-C-R-E-T

deemphasized and allowed to smolder, or simply permitted to fade away. In the most persistent, that in Vietnam, objectives have been limited and the conflict in arms kept isolated. New crises threaten, such as that in the Near East, and others will arise from time to time. But the great powers, fearful or uncertain of the response of the adversary, no longer show much interest in territorial expansion by conquest or in the acquisition of permanent military bases outside their own territory. The Cuban missile crisis of the autumn of 1962 was an important watershed; it clarified the limits of US patience and removed some of the uncertainty in the Soviet mind about US willingness to use military power.

3. Perhaps the most remarkable development of the post-war period lies in the acceptance of the new structure of world power by those whose relative position declined or whose national objectives were frustrated. There were political and psychological repercussions in the US to the rise of Soviet power and the communization of China and Cuba, but they were contained and faded away. Western Europe accepted the end of the imperial era with relative grace; the pain was eased by the rise of economic power and affluence. The Soviet leadership, after fulminating against US "encirclement" in the

- 2 -

S-E-C-R-E-T

S-E-C-R-E-T

immediate post-war era, came to accept the reality of US power and later the growing independence of its client states. Whereas in most of world history national frustration or fear of another's rising strength has led to major war, it has in this period not done so. The reason is only partly the fear of nuclear destruction; even victory creates burdens, and the world has become too large and complex to police in imperialistic style and peace too pleasant to be scorned for dubious victory.

4. On the surface at least, the world thus appears less likely than five, ten, or fifteen years ago to be plunged into the horrors of a large nuclear conflict. But this could be illusory. The acquisition of armament continues apace; indeed progress in armament has taken on a life of its own and has become a major causative factor in international politics. China is in crisis and revolution, world population is growing rapidly, the poorer nations grow poorer and the rich grow richer. At the same time, a new movement toward detente has emerged in Europe, and the Soviet regime, which must remain the most important focus of our calculations, has assumed a more moderate posture in world politics. In the paragraphs that follow, we take up these various developments and note the ways in which they impinge upon each other.

- 3 -

S-E-C-R-E-T

S-E-C-R-E-T

II. New Factors in the Relations of Military Power

5. Until very recently the military situation in the world appeared relatively clear. The only two powers that mattered were the US and the USSR; although US nuclear attack capabilities substantially exceeded those of the USSR, each could inflict enormous damage upon the other; offensive capabilities on each side greatly exceeded the other's related defensive capabilities. There did not seem to be any early likelihood that either side could build a military force which would permit it to attack the other without itself receiving unacceptable damage. While there was no military balance, there was a kind of strategic balance. Each side felt inhibited from undertaking diplomatic, political, or military initiatives which carried serious danger of bringing the other's strategic forces into action. Thus, one of the principal problems of US and Soviet leaders was to calculate the degree of danger inherent in each initiative or in its reaction thereto. Uncertainty in such calculations was inescapable, and mistakes and misapprehensions could be serious matters. Khrushchev made such a mistake in 1962, and this was a major factor in his dismissal two years later.

- 4 -

S-E-C-R-E-T

S-E-C-R-E-T

6. The situation described immediately above could be changing. To be sure, neither side today believes that it could attack the other without receiving enormous damage in return. Programs are continuing in both the US and the USSR to reduce the vulnerability of strategic attack forces; the Soviet leaders somewhat belatedly are deploying their missile forces underground. But both sides also are making serious efforts to insure that they know precisely where the other side's military targets are located geodetically and are improving the accuracy of their missiles and their penetration capabilities. Thus, both are strengthening their first-strike capabilities, and neither can be quite so persuaded as before that the time may not come when the side striking the first blow might gain an appreciable advantage. This in turn has stimulated interest in the development of anti-missile systems designed to counter any such presumed advantage. Neither the US nor the USSR has developed an anti-missile system which would provide assurance that potential destruction could be limited to manageable proportions, and neither seems likely to have such a capability in being for a considerable number of years ahead.

7. In addition to the uncertainty spawned by these developments, there can be gnawing doubts on another score. Neither side can have a high degree of confidence that its weapons systems will

- 5 -

S-E-C-R-E-T

S-E-C-R-E-T

function as prescribed. Full weapons systems tests obviously cannot be conducted. Statistical probabilities based on known factors can be calculated but they cannot be conclusive. Unknown factors may be present. Scientists and technicians on each side continue to study weapons effects and to improve weapons systems. Even though no visible and acknowledgeably effective anti-missile system has been deployed, neither side can be certain that the other will not acquire some particular knowledge or capability which would neutralize its own, or a large part of its own, capabilities. It is only prudent to recognize that missiles and guided aerodynamic weapons are extremely complex affairs and that the nuclear, electronic, and cosmic sciences, upon which these weapons systems are built, are relatively new disciplines containing ramifications about which new discoveries are continually being made.

8. The possibility thus exists that mutual deterrence based upon a balance of terror could disappear. This could come about if either developed the capability to neutralize the other's retaliatory force by striking first, or if one developed a defensive capability in which he had a high degree of confidence. At first blush it would seem that a decline or demise of balance-of-terror deterrence should greatly disturb the world situation and especially US-Soviet relations. But this seems doubtful;

- 6 -

S-E-C-R-E-T

S-E-C-R-E-T

the stakes are too high, and the proofs too dubious, to provide any rational statesman with the kind of assurance he would need to authorize a first strike in any but the most dire and dangerous circumstances, or to lead him to believe that he could withstand another's assault with relative impunity. If anything, the uncertainties involved and the difficulties of calculation are factors toward stability, rather than instability, in world order they encourage greater prudence, lest the other side feel dangerously cornered and be driven to an irrational reaction. This suggests that both the US and the USSR will continue on their course of not undertaking initiatives which might provoke the other to a strategic initiative. Indeed, the consequence could be a reduction in the threshold of risk which either party would be willing to assume.

9. While the two superpowers have been thus refining their strategic capabilities and adjusting their policies to the evolving situation, two other nations have been moving toward the acquisition of nuclear striking power. France already has a minimal capability and China will acquire one very soon. From a strategic point of view, neither of them is likely to develop anything significant in

- 7 -

S-E-C-R-E-T

S-E-C-R-E-T

the world balance of military power; their capabilities could be quite easily and quickly destroyed. What is important is that a new element of uncertainty has been created, undermining to some degree the tentative stabilization achieved by US and Soviet mutual forbearance. The Chinese case is, of course, by far the more important; a regime which seems to enjoy the role of international renegade is not one which instills confidence or respect in either Communist or non-Communist neighbor. It would be easy to overestimate the political leverage which France and China are acquiring; indeed their leaders have probably overestimated it, as the British did and now recognize that they did. But the fact remains that these weapons are most dangerous when in irresponsible hands. We cannot yet tell how the Chinese internal situation will develop or how the Chinese leaders will seek to exploit their capability when they acquire it. One thing does seem fairly clear; the Soviets are perhaps more worried than we are about the possible irrationalities of Chinese behavior.

10. The great paradox of modern life is that enormous sums of money are being spent developing and exploring modern weapons which most people (including most of those decreeing the expenditures, except possibly the Chinese leaders) fervently hope will never be

- 8 -

S-E-C-R-E-T



S-E-C-R-E-T

used. Much lesser sums are spent on general purpose forces and these seem to be used more than ever. The days of armies marching across borders with banners flying may be a thing of the past, but military action is not.

11. The military forces in the poorer, unstable, and newer nations continue to be a key element in the political scene. A few hundred semiliterate ill-trained soldiers in several African states have overturned regimes; in other African states only somewhat better-trained forces have proven the only element capable of maintaining some kind of order or reestablishing political decency. Often they are the only group with a national awareness and a sense of responsibility. Even in Latin America, with some notable exceptions, the military establishment has often proved the only force capable of surmounting divisive social and political problems, reducing corruption, ending stagnation, and setting the nation on the road to progress and reform. In the Arab world, the military establishment is the principal revolutionary force in several key countries. In Indonesia the Communist associations of some military leaders led to a near successful Communist coup, which was suppressed by anti-Communist military leaders. Indeed, it has become increasingly apparent that a military establishment in many parts of the world today is not to be measured so much by its military prowess as by

- 9 -

S-E-C-R-E-T

S-E-C-R-E-T

the quality and political inclinations of its leadership. This situation is, of course, not new, but it appears to be more important as the problems of so many of these nations seem to be multiplying.

12. One of the perplexing problems of the advanced states in this kind of world is what types and how large general purpose forces they should maintain. Some regard such forces as necessary to reduce dependence upon nuclear arms, others as a necessary adjunct to nuclear arms, still others as an expensive anachronism. There can be no doubt that they perform an important political role even for the advanced states; US forces remain in Western Europe more in a symbolic than a defense role; the same is true of Soviet forces in Eastern Europe. When these forces are used to suppress revolutionary uprisings they have often had a difficult time of it, especially when the revolutionary forces have had little to lose and much to gain by avoiding frontal combat and engaging in prolonged, guerrilla-type conflict.

13. Little seems clear about the future of arms and armed conflict. The piling up of armaments and the maintenance of large forces seems likely to continue in both the poorer and the advanced countries, though for different reasons. The paradoxes and perplexities seem likely to persist. Much depends upon the political

S-E-C-R-E-T

changes occurring in the world, upon the related progress of military doctrine, and upon the technological development of armament itself. Disarmament and arms control offer one means of moving toward a resolution, but all such movements can only go so far before they encounter a major hurdle -- the uncertainties of future need. Not the least of these is China's future course.

III. Confusion and Crisis in China

14. There is no doubt that China is undergoing a new paroxysm, and one perhaps more cataclysmic than any in its unhappy history. It is presenting to the world all that an established Communist regime is not thought to possess -- disorder, open brawling between competing forces, indecision, absence of clear authority. While other Communist regimes have passed through crises, the struggle has usually been rather secretly conducted within the top levels of the party, and the results have usually been quick and clear; prolonged and visible confusion is a new phenomenon. The explanation is not easily discernible, and any judgment must be tentative. What appears to be occurring is an attempt -- opposed by important leaders in the party -- to move the Chinese Communist revolution into a new and unprecedented phase.

- 11 -

S-E-C-R-E-T

S-E-C-R-E-T

15. China has serious problems of a purely objective character which condition this revolutionary development. The pressure of population on food supplies has been critical for five years and grows steadily worse. In the past ten years population has increased by 125 million, while by dint of considerable effort food production has barely recovered the level of ten years ago after disastrous crop failures during the early sixties. Despite the recent adoption of a birth control program, the pressure of population will worsen for at least another twenty years. The crisis in agriculture has not only reduced calorie intake and forced China to buy food; it has also reduced export earnings and the supply of raw materials to industry. While some progress has been made in industrial development, China remains an agricultural nation, and no way out appears in prospect. The economic problem has been aggravated by the adoption of programs based upon ideological and political motivations, including foreign aid and advanced weapons development.

16. Mao Tse-tung, nearing the end of his life and apparently ill, is not unaware of the economic deficiencies of China, but he has more important concerns. The USSR is no longer Communist as he sees communism, the imperialist threat personified by the United States threatens the Chinese dream of hegemony in Asia,

- 12 -

S-E-C-R-E-T

S-E-C-R-E-T

Indonesia has fallen under reactionary control, party leaders at home are becoming too practical, and there is too much discussion and dissent. A solution to all these problems is needed in the days remaining to him, and the way he has chosen is to rejuvenate and extend the revolution, to instill the selflessness and discipline of the party's great past, to root the "thought" of Mao into the Chinese mind so thoroughly that it can not be torn out. He has in fact engaged in an act of faith; he apparently believes that his ideas, if deeply enough embedded, will triumph over all enemies, problems, and obstacles. His very efforts have created chaos, and to the degree he persists the chaos may be intensified. No society can but disintegrate with schools and universities closed, intellectuals pursued, and managers and governors harassed. No revolution before has attempted so much so fast or in the same way; whereas most revolutionaries have sought power and then settled for a slow evolutionary change of ideas, Mao is seeking a rapid revolution in thought after finding the evolutionary process slow and wanting.

17. Judged on historical grounds, success seems unlikely, at least in Mao's terms. He has chosen a dangerous method, one which could not only destroy him but the Chinese state as we know it. But if he does succeed in routing his more pragmatic

- 13 -

S-E-C-R-E-T

S-E-C-R-E-T

opponents, we might then be faced with a Maoist China, denouncing revisionists and imperialists alike, threatening all and sundry, and perhaps even engaging in military adventures against whoever is thought to be the worst enemy (one cannot be certain it would be the US). He cannot succeed totally, however, and one day -- probably sooner than later -- he must die. Then another paroxysm may come about, when the routed opponents challenge his uneasy heirs. Such a struggle would carry with it the possibility of widespread civil disturbance and even of civil war, economic disintegration, and social chaos. It would be folly to predict such an outcome of the present confusion in China, but it would be imprudent to exclude it.

18. Whatever the final outcome may be (and it may be years before China stabilizes), the fact is that no other state, Communist or non-Communist, can calculate what role China will play in Asia, in the Communist world, or in international politics. Although the Soviet leaders probably nurture hopes that at some time China can be brought back to a more practical appreciation of the realities of international life, they probably are also disturbed by the likelihood that any China will have interests different from their own, economic problems which are virtually insoluble

- 14 -

S-E-C-R-E-T

in the foreseeable future, and a potential for troublemaking. Meanwhile, the spreading and deepening of the crisis in China is already beginning to alter the power structure of Asia. Those threatened by Chinese power have, perhaps prematurely, begun to breathe a little easier. China's Communist neighbors and friends (i.e., the Pakistanis) must be highly nervous about the implications for them of a possible future redirection of Chinese doctrine and policy. While the Soviet position in the Communist world has been strengthened by the visible convulsions in China, the Russian leaders have also been moved by the fear and dislike of Mao to show a greater interest in Europe.

#### IV. New Perspectives in Europe

19. It is commonplace to say that Europe has changed greatly since 1945. What is usually referred to is the economic growth in both East and West Europe, the decline of ideological politics, the breakdown of narrow nationalism, the creation of the common market, the reduced internal and external Communist threat to Western Europe. But many important things are unchanged: Germany is still divided; Europe, both East and West, is still host to foreign troops; Eastern Europe remains outside the Western-dominated international financial system; Western Europe remains allied to the United States and dependent upon it for military protection. What is important to this analysis is that events in Europe and elsewhere in the world have given to Europe a new view of itself and an impetus to changing those things which remain unchanged.

S-E-C-R-E-T

20. Perhaps the most important change of all is a shift in the Soviet attitude toward its European neighbors. Spurred by their deepening quarrel with China, the Soviets have found good relations with Europe more important to their national security. The Soviet leaders also seem to realize that the door has been firmly closed to a Communist Europe and even -- for a substantial period of time -- to an alteration in the status of Berlin. They see that changes, if they come, will be evolutionary rather than dramatic. They may not even wish for any major changes soon, lest such create new and unmanageable problems for them. Above all, the Soviets think of themselves as Europeans and have come increasingly to share the personal interests of their neighbors -- automobiles, summer holidays, consumers' goods, and light music. The iron curtain is not gone, but it is rusting; there is more and easier movement through it than ever.

21. Western Europe, too, is altering its outlook. It is self-confident, even cocky. President de Gaulle in one sense personifies the new Europe because many Europeans share his precepts, though he and his countrymen are widely disliked. Many enjoy being told that they no longer need accept and follow all US policies and proposals. Many feel that there is room for

- 16 -

S-E-C-R-E-T



S-E-C-R-E-T

movement in East-West relations, but that the US in its preoccupation with Asia and an ideological war against Communism is blocking it. Many fear that in its preoccupation with Asia the US will sell out its European friends on questions that really matter to them. Thus, the US, while admired for its advanced technology and needed for protection, no longer enjoys the respect in which it once was held. Indeed, one of the main objectives of post-war US policy has been achieved; many Europeans believe that they can manage their own affairs.

22. This is not to say that they can do so, or that all them wish the US to go away. On the contrary, few Europeans really want a Europe led by France or Germany, or worse yet by France and Germany in partnership; they would like at least a powerful referee. No responsible leader really wants to cut himself off from access to American military power, American technology, or American financial backing. The fact is, however, that events of the past few years have been doing so. The US was bested by de Gaulle over the North Atlantic Treaty Organization; the European Economic Community is becoming a highly protective economic bloc; the Kennedy Round will not produce the trade liberalization for which the US had hoped; American investment

- 17 -

S-E-C-R-E-T

S-E-C-R-E-T

in Europe is coming under scrutiny and some degree of control; American policy in Asia, though still officially supported by most governments, is generally regretted; American prestige has suffered over its inability to close out the Vietnam war, and American leadership is thought to lack the sureness and deftness which it was believed to have had in the now somewhat idealized memories of the post-war years.

23. What all of this portends for the future is not quite so much as many Europeans think. The Soviets may have moved toward accepting the status quo, but are not about to give anything up or to renounce their aspirations for hegemony in Europe. The European Economic Community may be protectionist, but it is probably incapable of overcoming the economic advantages of American industrial efficiency and technological progress. What we are likely to witness is a considerable show of independence from the US and large amount of diplomatic maneuvering but not very much change. De Gaulle no doubt would like to see a new structure of power in Europe, bringing the USSR into a new European system which would both integrate Germany and neutralize it. The new German leadership is both his enemy and his ally in this effort. It too would like a new European system, but seems unlikely to sacrifice its American ties unless it achieves some of its national aspirations. These the Soviets seem most unlikely to concede.

- 18 -

S-E-C-R-E-T

S-E-C-R-E-T

24. Thus, while a basic alteration in Europe's structure of power seems unlikely in the near term, the conditions which could lead to a change are emerging. The Western Europeans have reacted to two decades of peace, a greater sense of security, and economic well-being. Many feel that the structure of power built upon the North Atlantic Treaty, while appropriate to its day and still containing elements vital to European order and peace, was nevertheless created for a different set of circumstances and has been deeply wounded by Gaullist actions and preachments. Some believe, and many fear, that the US response has been at the least unimaginative. Underlying much of the European reserve over the US role in Europe is not really a desire to remove US influence but a desire to see US leadership manifested in new ways and upon new precepts. The prescription is easier requested than filled. For US policy in Europe depends in large degree upon an appreciation of Soviet policy and Soviet objectives. These have perhaps altered over the past ten years. One major aspect of Soviet policy was to destroy "imperialism" by staking out claims in the former colonial areas.

V. Evolving Role of Nations on the Periphery of World Power

25. A great deal has happened in the newer and poorer nations during the last ten years, but a number of important things have not happened. Over all, they have not embraced Communism or become

- 19 -

S-E-C-R-E-T

S-E-C-R-E-T

allies of the USSR. They have not become a bloody battleground between pro-American and pro-Soviet forces. They have not become new centers of world power capable of defying the established world powers. In truth, Cuba has become Communist, and some states have developed closer friendship with the USSR than we would have preferred. A bloody war is going on in Vietnam, and there has been bloodletting in many places in Asia, Africa, and Latin America. New nationalisms have been truculent and difficult to deal with. But, with all this taken into account, the fact is that the major world powers have been concerned primarily with their relations to each other and not with the ill-fed and ill-housed on the periphery of world power.

26. This is partly because the so-called competition between the US and the USSR for the allegiance of the newer nations simply did not pay off very well. Indeed, it has become something of a costly nuisance. It is true that the USSR has made some friends in Africa and the Near East and acquired a client in the Western Hemisphere, but it has been costly and probably not as rewarding as the Soviets had hoped. But also involved has been the abnegation of the courted. Most of them couldn't care less about the cold war; they have their own problems. These are problems of who shall exercise

- 20 -

S-E-C-R-E-T

S-E-C-R-E-T

power, how fast and in what manner shall modernization proceed, who shall own and operate enterprises and for whose benefit, what shall be done about local ethnic antagonisms, what role should be accorded to foreign capital and foreign advisors, what can or should be done to feed growing populations or to restructure society and the economy, what can or should be done about the enemy across the border. These are problems which of course have international implications and expose countries to meddling and subversion; they create threats of revolution and often lead to it. But these problems are home-made and so are most of the attempted solutions. Most of the leaders feel themselves in a real dilemma; they want and need outside help, but they don't want the strings, the controls, or the attempted subversion -- no matter how subtle -- that they see or fear coming with the help.

27. In specific form, the problems which preoccupy the politically-active segments of these societies have led to many conflicts and movements which we note in the daily flow of information. There is the rivalry between radical and conservative Arabs, the aberrant behavior of the Syrian Baathists, Nasser's ambitions in South Arabia, the effort to oust Hussein, the troubles on the Israeli border, communal troubles and famine in India. There have been coups in Algeria, Ghana, Congo, Argentina, Brazil, and elsewhere.

- 21 -

S-E-C-R-E-T

S-E-C-R-E-T

There have been a breakdown of the Nigerian state, war between India and Pakistan, threats to the Emperor of Ethiopia, and war against the Kurds of Iraq. Perhaps most significant of all events in recent years has been the revolution in Indonesia, where the military-intellectual-student coalition born of the attempted Communist coup is pulling the country back from the excesses and idiocies of Sukarno. Events of the past few years have ousted Communists from most of the few positions they had won. Indeed, it would seem that there has been a general turning away from ideological solutions.

28. Despite some gains for our side which have emerged from this disorder, some of it can be dangerous. A new war in the Near East or Africa might draw one or more of the world powers into a position of silent partner; one cannot assume that the Soviet leaders will always view their interests as they did in the India-Pakistan war. The Chinese and the Asian communists have a view quite different from that of the Soviets concerning the rapidity and means by which the world Communist revolution should be accomplished, and Castro on this matter shares the Chinese view. Thus, active subversion progresses in Asia, and Castro tries to export revolution in Latin America. Despite all these particular and potential dangers, the fact remains that the newer and poorer nations have become much less

- 22 -

S-E-C-R-E-T

S-E-C-R-E-T

foci of engagement than had been feared. There are, of course, a number of key nations and areas where developments could have a fundamental effect upon the structure of world power, but the great powers have concerns more relevant to their security than what happens in each country in each area. They have learned that a friend made one year may be lost the next and that what happens in an obscure and minor nation may not make any difference.

29. With the poorer nations less involved in great power rivalry and more preoccupied with their own difficulties, they have lost some of political unity that had emerged among them five to ten years ago. The "Afro-Asiabloc," the "spirit of Bandung," and self-conscious neutralism have given way to fragmentation. Meetings of "third world" leaders are fewer and virtually unnoticed; within Africa, Asia, the Near East the political quarrels and rivalries are more urgent than supposed common interests. Nevertheless, there is one area of common purpose which is emerging among them and which is manifesting itself in various UN agencies. The poorer nations of the world have come to recognize that the gap between them and the industrial nations of Europe and North America is widening. While new oil and mineral discoveries and the opening of many areas to exploitation and development has already created the prospect of a better life for millions of people, there seems to be no prospect for improvement for many hundreds of millions of people in Asia,

- 23 -

S-E-C-R-E-T

S-E-C-R-E-T

Africa, and Latin America. But regardless of the prospects, the richer nations appear likely to come under much stronger pressure to review and revise their monetary, lending, trade, and aid policies. They will be under a strong moral compulsion at least to help feed the growing multitudes.

30. Unfortunately this rising pressure is occurring at a time when the world is encountering a threat to its supply of liquidity. In 1966 accretion to the world's supply of monetary gold was zero, and this was only the last of many years in which the availability of liquidity has fallen short of the needs of an expanding world economy. The large US gold supply accumulated during the war and post-war era and the use of dollars as national monetary reserves permitted a large expansion of the world economy despite the gold shortage. But, the US balance-of-payments deficit, which was the essential ingredient of this expansion, cannot go on forever. Worst of all, the US gold supply is at the mercy of the world's central bankers. Should others follow the French example and convert dollar holdings into gold, a monetary panic would ensue. It is therefore essential, both to avoid panic and to finance economic expansion, that some better means be soon developed to ensure a continuing supply of liquidity and to finance and rectify balance-of-payments disequilibria.

- 24 -

S-E-C-R-E-T



S-E-C-R-E-T

31. The achievement of social, economic, and political progress among the poorer nations is, of course, hindered by a variety of other obstacles. The political myths of self-determination and linguistic autonomy and the spectre of neo-colonialism are interfering with needed foreign investment and progress in education. Corruption as a political way of life and personal vindictiveness as a rule of political conflict hardly contribute to orderly growth. Religious belief, widespread ignorance, and improved public health programs seem likely to continue to contribute to rising population pressures for many years to come. In sum, throughout much of the area of Asia, the Near East, Africa, and Latin America things seem likely to get worse.

32. If this is difficult milieu for US policy-making, it is also difficult for the Soviet leaders. Many of the hopes they must have had in the post-war era have evaporated. The colonial world did not prove the precipitate for the destruction of capitalism, post-war Europe was not engulfed in Communist revolution, China did not become a reliable and pliant ally. Even the nations of Eastern Europe upon which Communist regimes were foisted proved recalcitrant. What, then, do they think that they can and must do as their revolution enters its second half-century of power?

- 25 -

S-E-C-R-E-T

S-E-C-R-E-T

VI. The View from Moscow

33. The Soviet revolution was largely Lenin's revolution, and one of the reasons it succeeded was that he maintained a balance between evangelism and reality. He offered both brotherhood and bread. His successors have retained the dualism of Bolshevism. Though they have made mistakes in appraising the world about them and in determining the limits of their maneuverability, they have always attempted to take account of the "relation of forces" in setting their course and have always been willing to alter it when forced by circumstances to do so. They have also attempted to spread the gospel, Stalin by subversion and conquest and Khrushchev by salesmanship and competition.

34. The present leaders of the Soviet Union, on this anniversary of their revolution, look like men who do not know what course to follow. They have shown a high degree of sensitivity to the world about them and have generally drawn the right conclusions from the preeminent facts of international life. They recognize that conquest and new projections of military power are dangerous. They know they can no longer "spank" their client nations. They have seen that many of Khrushchev's foreign policies were self-defeating, and they have seen the failures of the competitive policy. They no longer overestimate the appeal of communism and underestimate

- 26 -

S-E-C-R-E-T

S-E-C-R-E-T

the will of their opponents. They fear the Chinese and recognize that China's problems and interests are different from their own. They have seen the futility of trying to communize Western Europe and have come to terms with the status quo there. They have, in effect, adopted a new posture not so much from any positive advantages they see in it, but from lack of anything better.

35. Likewise in domestic affairs the Soviet leaders have come to face the facts. They have retreated from the rigidities of detailed planning at the top; they are trying to encourage greater productivity and more efficient use of resources by decentralizing authority in economic matters. They have permitted more freedom to intellectuals; periodic efforts to control the exercise of that freedom derive more from caution than from Philistinism. They know their people want to enjoy the automobile culture of their European neighbors, and they are moving toward making a wider and better range of consumers' goods available. Indeed, the leaders themselves know the country is still backward in many ways and wish to preserve and build upon what they have. Their traditional and doctrinal hostility toward the US has become tempered by doubt and has admitted a mixture of respect and curiosity.

- 27 -

S-E-C-R-E-T

S-E-C-R-E-T

36. The important question for us is how deep this realism is and what it does to the suppressed evangelism of the Soviet revolution. There can be little doubt that the Soviet leaders would deny to themselves or to others that there has been any diminution of their belief or striving for a Communist world in which the USSR would occupy a paramount position. There can also be little doubt that they would seize upon any relatively safe opportunity and efficacious means to spread the gospel of Communism. They probably also feel that ground has been won is an historical trust and ought to be preserved to the Kingdom. They would say, and probably mean it, that in the present phase Communist policy must be prudent and pragmatic and that more can be gained by reasonableness, caution, and diplomacy than by adventures, bluster, ideological fundamentalism, and aggressive proselytism. But beneath all the posing and the doctrinal contortions, there very likely has been an actual attenuation of the evangelical drive and of the ideological factor in Soviet policy-making. This may not always be so because in large degree it is the consequence of an intellectual recognition of facts; as such it is always in danger of attack from self-appointed defenders of the faith.

37. Nevertheless, unless upset by some unforeseeable development in the USSR or in the world at large, the present posture of the Soviet leaders seems likely to persist for some time. How long it will persist and what specific courses will be pursued will depend,

S-E-C-R-E-T

of course, upon events and apparent successes. An increasingly troublesome and dangerous China will continue to push the Soviets toward greater prudence and amenability to detente and cooperation with the Western powers. On the other hand, gross failures which could be attributed to lack of faith or to the duplicity and aggressiveness of the "imperialists" would cause the ideologues to reemerge. In this connection, the Soviet military, who like most military believe themselves the keepers of the national myths, are perhaps more likely than the Soviet Communist Party to lead a drive back toward inflexibility and dogmatism.

38. The USSR disposes the only military power in the world which poses any strategic threat to the US, and it must remain for many years the focus of our foreign policies. What we do or refrain from doing must perforce be examined in light of this fact. But the world has become very complicated and so has our Soviet opponent. In these circumstances, the atmosphere and subtleties of behavior are often more important than acts. Thus, the essential problem of the US in dealing with the USSR and with the other areas of the world is to measure the effect which both the deed and the atmosphere will create in the minds of the Soviet leaders and of those others who might be affected. The existence of a Soviet capability to do us enormous damage seems likely to last indefinitely, but the possibility of its being used will depend greatly upon what we do and how

- 29 -

S-E-C-R-E-T

S-E-C-R-E-T

we do it. Their problem is at least as great as ours, for they fear not only our strategic power but the excesses of their Chinese neighbor. If their ideologues and the atmosphere permit it, they may become more anxious than we to find ways -- without giving up anything -- to slow the arms race and find adjustments which will keep the lids on the silos.

VIII. Prospects for Movement

39. If the various judgments made in the preceding paragraphs are essentially correct, then it is possible to conclude that the differences between the US and the USSR have been narrowed, at least for a time. The atmosphere of US-Soviet relations has improved. Except for the Soviet pressure upon the US to stop the bombing in North Vietnam and to find a way to resolve the Vietnam war, neither is pressing the other to give up any position it holds. While neither is satisfied with the status quo, neither seems prepared to do anything to change it except in evolutionary, slow-moving, and undramatic ways.

40. The Vietnamese war is by far the most troublesome question on the international scene and not only because of its implications for US-Soviet relations. While the US has no doubt demonstrated something to its allies about readiness to honor

- 30 -

S-E-C-R-E-T

S-E-C-R-E-T

commitments and has provided a block to communist expansion in Asia behind which some strengthening of non-Communist political elements has occurred, it is also true that widening US participation in the conflict has complicated and to some degree weakened US relations with many of allies and friends. US prestige has suffered because it has not been able to bring the conflict to an end, and US leadership is thought to be less than wise to have become committed in an apparently hopeless morass.

41. On the scene in Vietnam the picture is complicated by the political situation in South Vietnam. Despite some hopeful recent developments in contrast to the chaos of 1964 and 1965, the political situation remains fragile. On the war front, the Viet Cong have certain inherent advantages which the whole paraphrenalia of US military power has not and may not be able to counter. On the international scene, the world has come to accept limited war; since we limited our objectives to Vietnam and have limited our means, we were able to enter in force without unacceptable risks. But, while limiting our objectives geographically, we have not limited our local political objectives to an extent which would permit a graceful exit. Thus, unless there is a collapse of will on the other side (and no persuasive signs of this have appeared) we may be obliged to fight indefinitely in the hope of establishing at some point a sufficient degree of security and political order to permit a claim of having achieved certain redefined limited objectives.

S-E-C-R-E-T

S-E-C-R-E-T

42. So long as the war continues it will cloud US-Soviet relations. Neither the Soviet position in the international Communist movement nor the Soviet leaders' position at home would at present permit any but the most limited movement toward detente in US-Soviet relations. Moreover, if the US should feel obliged to widen the means or the geographical scope of military operations, the Soviet leaders would probably feel obliged to alter the atmosphere of US-Soviet relations, and some at least would probably alter their current appreciation of American political dynamics and American policy.

43. The problem of the Vietnam war aside, and assuming the Soviets continue on their current prudent and reasonable course, the main factors in US-Soviet relations derive from two fears. One is the fear that the other will fall under the political leadership of ideologues or activists who will seek by aggressive means to alter the status quo or to achieve political domination of some soft area of the world. The other fear is that, in such circumstances or independent of them, one side or the other might conclude that it needed to or was able to initiate nuclear war against the other. For the present, there does not seem to be very much that can be done about this. In the present atmosphere no significant agreements regarding a curtailment of the arms race appear likely; this unlikelihood might persist for some time even if the Vietnam

- 32 -

S-E-C-R-E-T



S-E-C-R-E-T

war should suddenly come to an end. On the other hand, the atmosphere of US-Soviet relations is such that some kinds of parallel actions, with or without unwritten understandings, might be possible.

44. But, regardless of what policy or posture on the part of these two great powers might exist at any particular time, competition between them is something which is likely to persist indefinitely. While competition in the cruder forms of economic and military aid might be coming to end, other forms of competition seem inescapable. Smaller and weaker nations will turn to the great powers for political support and other types of assistance; subversion and diplomacy will go on trying to extend areas of influence; both nations must continue in their efforts to present themselves to the world as more advanced, more honorable, and more attuned to the needs and virtues of mankind than the other. Neither can afford to appear tired, decadent, or faithless.

45. The US is not in any serious danger of losing its powerful position in world affairs. Its military and economic power will remain highly respected. US technological superiority in industry is unchallenged. But, the US has become and may increasingly become more isolated, both economically and politically,

- 33 -

S-E-C-R-E-T

S-E-C-R-E-T

from Europe and from some other countries where it has enjoyed especial regard and prestige. This does not mean that the USSR will achieve a concomitant rise in prestige and authority, for the tendency in the world today is not to transfer respect from one center of power to another but to reach for self-respect. In a broad historical sense, this indeed may be progress.

46. All things considered, one cannot identify any major ways in which the structure of world power seems likely to change during the next few years. The Vietnam war is inhibiting much movement in US-Soviet relations; any basic change in Europe will mature only slowly; it may be some years before the new shape of China emerges; the newer nations are so immersed in their own difficulties as to prevent the emergence of any new and significant center of power.

47. Beyond these few years, however, a number of changes will materialize which could have a profound effect. In one way or another all wars and revolutions must come to an end. How the Vietnam war progresses and is terminated, how China's revolution develops and how this development affects China's relations with the other world powers, how the European impulse toward change actually progresses over time, what calamities hunger and poverty

- 34 -

S-E-C-R-E-T

S-E-C-R-E-T

in the poorer nations produce, what happens to the arms race -- all these are essentially unpredictable. Some can be dealt with by conscious action, and some cannot. In either case, some could lead to a world catastrophe if the complexities and interactions of deeds and events are not understood and appreciated. Fear or expectation of some event might bring it about by preparations or actions designed to counter it, and self-generated problems thus created. But the world today seems perhaps less prone to this than in the past. World leaders may have blundered in the years since World War II, but they have also learned. Though nations have armed themselves on an unprecedented scale, they have also become prudent.

S-E-C-R-E-T